

1 PHILLIP A. TALBERT  
United States Attorney  
2 CHRISTOPHER S. HALES  
KEVIN C. KHASIGIAN  
3 Assistant U. S. Attorney  
4 501 I Street, Suite 10-100  
Sacramento, CA 95814  
5 Telephone: (916) 554-2700

6 Attorneys for the United States

7  
8 IN THE UNITED STATES DISTRICT COURT  
9 EASTERN DISTRICT OF CALIFORNIA

10  
11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 JEFF CARPOFF,

15 Defendant  
16

2:20-CR-00017-DAD

STIPULATION AND FINAL ORDER OF  
FORFEITURE RE JEFF AND PAULETTE  
CARPOFF'S FORFEITED 51%  
OWNERSHIP IN WHETSTONE WINE  
CELLARS, LLC AND FORFEITED  
\$250,000.00 PROMISSORY NOTE AS TO  
WHETSTONE WINE CELLARS, LLC

17  
18 UNITED STATES OF AMERICA,

19 Plaintiff,

20 v.

21 PAULETTE CARPOFF,

22 Defendant  
23

2:20-CR-00018-DAD

24 JAMEY AND MICHELLE WHETSTONE,

25 Interested Parties.  
26  
27  
28

1 This stipulation is entered into between the United States of America and Jamey and Michelle  
2 Whetstone as to Jeff and Paulette Carpoﬀ’s debt and equity stakes in Whetstone Wine Cellars, LLC  
3 (hereinafter “Whetstone Winery”), which were forfeited from them based on the convictions in this case,  
4 according to the following terms:

5 1. This is a criminal action against defendants Jeff Carpoﬀ, Paulette Carpoﬀ and others  
6 based on the investment fraud perpetrated through DC Solar. On January 24, 2020, Jeff Carpoﬀ and  
7 Paulette Carpoﬀ pleaded guilty to fraud and money laundering crimes. As part of their plea agreement,  
8 Jeff Carpoﬀ and Paulette Carpoﬀ agreed to forfeit property derived from their crimes, including their  
9 equity and debt interests in an asset known as Whetstone Wine Cellars, LLC.

10 2. On March 16, 2020, the Court entered a Preliminary Order of Forfeiture in each criminal  
11 case, forfeiting their debt and equity interests in Whetstone Wine Cellars, LLC to the United States.  
12 Specifically, Jeff and Paulette Carpoﬀ’s 51% ownership stake in Whetstone Wine Cellars, LLC; and  
13 their Promissory Note of \$250,000, based on a loan to Whetstone Wine Cellars, LLC.

14 3. Beginning on April 15 and April 17, 2020, for at least 30 consecutive days, the United  
15 States published notice of the Court’s Order of Forfeiture on the official internet government forfeiture  
16 site [www.forfeiture.gov](http://www.forfeiture.gov). Said published notice advised all third parties of their right to petition the  
17 Court within sixty (60) days from the first day of publication of the notice for a hearing to adjudicate the  
18 validity of their alleged legal interest in the forfeited property.

19 4. Jeff and Paulette Carpoﬀ were the 51% owners of Whetstone Wine Cellars, LLC and  
20 creditors in the sum of \$250,000. That debt is memorialized in a promissory note on the company’s  
21 balance sheet. Jamey and Michelle Whetstone currently own 35% of the Whetstone Wine Cellars, LLC.

22 5. Whetstone Wine Cellars, LLC has an estimated liquidation value of \$549,495.00.<sup>1</sup> A  
23 51% ownership interest in the winery has an estimated market value of \$234,016.00.

24 6. The United States does not dispute the value of the company as set forth above.

25 7. No other party or entity has filed a petition asserting an interest in Whetstone Wine  
26 Cellars, LLC, and the time in which any person or entity may file a petition has expired.

27 <sup>1</sup> See Market Valuation of Whetstone Wine Cellars, LLC, as of April 30, 2022, by Certified Public Accountant Brian Jacobs,  
28 attached as Exhibit B.

8. Counsel for the United States and counsel for Jamey and Michelle Whetstone have engaged in discussions regarding the disposition of the company, to include obtaining an independent audit to establish the market value for the Carpoﬀ's interest in the company. To avoid future uncertainty and litigation risk, the United States seeks to sell Jamey and Michelle Whetstone the 51% ownership forfeited from the Carpoﬀ's on the following terms:

a. The United States, by and through this Stipulation and Final Order of Forfeiture, conveys its clear title in 51% of Whetstone Wine Cellars, LLC, in exchange for sum of \$184,016.00. The \$184,016.00 shall be paid by Jamey and Michelle Whetstone within ten days from entry of the Final Order of Forfeiture.

9. The payment by Jamey and Michelle Whetstone described in Paragraph Eight above shall be in full settlement and satisfaction of any and all claims by the United States to the 51% equity stake in Whetstone Wine Cellars, LLC.

10. Counsel for the United States and counsel for Jamey and Michelle Whetstone have also engaged in discussions concerning the payment and ultimate retirement of the \$250,000 Promissory Note forfeited from Jeff and Paulette Carpoﬀ. To avoid future uncertainty and litigation risk, Jamey and Michelle Whetstone reaffirm the \$250,000 Promissory Note and further agree to repay the loan and retire the Note based on the below payment schedule:

| <u>Payment No.</u> | <u>Payment Amount</u> | <u>Payment Date</u> | <u>Total</u> |
|--------------------|-----------------------|---------------------|--------------|
| 1                  | \$12,500              | September 1, 2023   | \$12,500     |
| 2                  | \$12,500              | March 1, 2024       | \$25,000     |
| 3                  | \$12,500              | September 1, 2024   | \$37,500     |
| 4                  | \$12,500              | March 1, 2025       | \$50,000     |
| 5                  | \$12,500              | September 1, 2025   | \$62,500     |
| 6                  | \$12,500              | March 1, 2026       | \$75,000     |
| 7                  | \$12,500              | September 1, 2026   | \$87,500     |
| 8                  | \$12,500              | March 1, 2027       | \$100,000    |

|    |          |                   |           |
|----|----------|-------------------|-----------|
| 9  | \$12,500 | September 1, 2027 | \$112,500 |
| 10 | \$12,500 | March 1, 2028     | \$125,000 |
| 11 | \$12,500 | September 1, 2028 | \$137,500 |
| 12 | \$12,500 | March 1, 2029     | \$150,000 |
| 13 | \$12,500 | September 1, 2029 | \$162,500 |
| 14 | \$12,500 | March 1, 2026     | \$175,000 |
| 15 | \$12,500 | September 1, 2026 | \$187,500 |
| 16 | \$12,500 | March 1, 2027     | \$200,000 |
| 17 | \$12,500 | September 1, 2027 | \$212,500 |
| 18 | \$12,500 | March 1, 2028     | \$225,000 |
| 19 | \$12,500 | September 1, 2028 | \$237,500 |
| 20 | \$12,500 | March 1, 2029     | \$250,000 |

11. The payments by Jamey and Michelle Whetstone described in Paragraph Ten above shall be in full settlement and satisfaction of any and all claims by the United States to the \$250,000 Promissory Note in Whetstone Wine Cellars, LLC.

12. All payments to the United States, as described in Paragraphs Eight and Ten, should be made in the form of a cashier's check made payable to the U.S. Marshals Service and mailed to the U.S. Attorney's Office, Attn: Asset Forfeiture Unit, 501 I Street, Suite 10-100, Sacramento, CA 95814.

13. The parties agree to execute further documents, to the extent necessary, to further implement the terms of this settlement.

14. All parties to this stipulation hereby release the United States of America and its servants, agents, and employees and all other public entities, their servants, agents, and employees, from any and all liability arising out of or in any way connected with the forfeiture of Whetstone Wine Cellars, LLC, as described herein. This is a full and final release applying to all unknown and unanticipated injuries, and/or damages arising out of said forfeiture or sale, as well as to those now known or disclosed. The parties to this agreement agree to waive the provisions of California Civil Code § 1542, which provides:

1 A general release does not extend to claims which the creditor or releasing party does  
2 not know or suspect to exist in his or her favor at the time of executing the release and  
3 that, if known by him or her, would have materially affected his or her settlement with  
4 the debtor or released party.

5 15. All parties are to bear their own costs and attorneys' fees, if any.

6 Dated: 4/7/2023

PHILLIP A. TALBERT  
United States Attorney

8 /s/ Kevin C. Khasigian  
9 CHRISTOPHER HALES  
10 KEVIN C. KHASIGIAN  
Assistant U.S. Attorneys

11  
12 Dated: March 31, 2023

/s/ Bahaneh Hobel  
BAHANEH HOBEL  
Attorney for Jamey and Michelle Whetstone  
(Signature retained by attorney)

1 It is hereby ORDERED and ADJUDGED:

2 1. A Final Order of Forfeiture shall be entered forfeiting to the United States all right, title,  
3 and interest in the below-listed property pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 982(a)(1), and 28  
4 U.S.C. § 2461(c), including all right, title, and interest of Jeff Carpoﬀ and Paulette Carpoﬀ:

5 a. Approximately \$184,016.00 in lieu of the 51% interest held by Jeffrey Carpoﬀ and/or  
6 Paulette Carpoﬀ in Whetstone Wine Cellars, LLC;

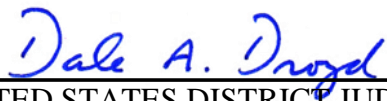
7 b. Approximately \$250,000.00 in payments pursuant to the schedule set forth in Exhibit  
8 A, to retire the Promissory Note held by Jeffrey Carpoﬀ and/or Paulette Carpoﬀ as to  
9 Whetstone Wine Cellars, LLC.

10 2. All right, title, and interest in the above-listed property shall vest solely in the name of the  
11 United States of America.

12 3. The U.S. Marshals Service shall maintain custody of and control over the subject  
13 property until it is disposed of according to law.

14 IT IS SO ORDERED.

15 Dated: April 7, 2023

16   
UNITED STATES DISTRICT JUDGE

**Exhibit A**  
**Payment Schedule for \$250,000 Promissory Note**

| <u>Payment No.</u> | <u>Payment Amount</u> | <u>Payment Date</u> | <u>Total</u> |
|--------------------|-----------------------|---------------------|--------------|
| 1                  | \$12,500              | September 1, 2023   | \$12,500     |
| 2                  | \$12,500              | March 1, 2024       | \$25,000     |
| 3                  | \$12,500              | September 1, 2024   | \$37,500     |
| 4                  | \$12,500              | March 1, 2025       | \$50,000     |
| 5                  | \$12,500              | September 1, 2025   | \$62,500     |
| 6                  | \$12,500              | March 1, 2026       | \$75,000     |
| 7                  | \$12,500              | September 1, 2026   | \$87,500     |
| 8                  | \$12,500              | March 1, 2027       | \$100,000    |
| 9                  | \$12,500              | September 1, 2027   | \$112,500    |
| 10                 | \$12,500              | March 1, 2028       | \$125,000    |
| 11                 | \$12,500              | September 1, 2028   | \$137,500    |
| 12                 | \$12,500              | March 1, 2029       | \$150,000    |
| 13                 | \$12,500              | September 1, 2029   | \$162,500    |
| 14                 | \$12,500              | March 1, 2026       | \$175,000    |
| 15                 | \$12,500              | September 1, 2026   | \$187,500    |
| 16                 | \$12,500              | March 1, 2027       | \$200,000    |
| 17                 | \$12,500              | September 1, 2027   | \$212,500    |
| 18                 | \$12,500              | March 1, 2028       | \$225,000    |
| 19                 | \$12,500              | September 1, 2028   | \$237,500    |
| 20                 | \$12,500              | March 1, 2029       | \$250,000    |